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# Integrated conservation of cultural built heritage

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## ABSTRACT

This paper will focus on integrated conservation of cultural built heritage starting from the analysis of related European policies in an economic perspective. Integrated conservation of cultural built heritage allows either a city or country to undertake socio-economic and cultural promotion and to identify mechanisms and strategies that are able to co-ordinate the multiplicity of funding, and the plurality of both public and private agencies involved. This implies the need to create economic preconditions in order to promote an active involvement of all actors in the implementation and management of urban regeneration policies. These policies, of course, have to be coherent with social, cultural and economic objectives, which have been stressed by governments in the interest of a community.

In this perspective several issues have to be faced, viz. the role of governments, public and private involvement in managing urban renewal policies, identification of funding mechanisms and rules by aiming to favour both transparent decision-making processes and a democratic participation in the strategic planning process, and by taking particular care of redistributive aspects.

In this paper we will single out the necessity to identify proper rules and roles of all agents concerned (governments, public and private actors), by seeking to build the contours of a negotiation theory, which is based on a "leverage" principle, that is able to mitigate conflicts between different objectives, interests and values and to promote general consensus.

A multidimensional approach is fruitful to address the complexity and plurality of policy perspectives and of cultural, historical, architectural, environmental,

economic and ethical implications regarding the integrated conservation of our cultural built heritage.

A balanced evaluation of resources, constraints, subjects involved, tools and mechanisms is able to render planning and management of renewal processes successful and to guarantee its social acceptance. Moreover, through evaluation approaches, it is possible to identify strategic priorities and to improve our capability in identifying management mechanisms, which are able to achieve transparency in the decision-making process.

**Keywords:** integrated conservation, cultural heritage, urban regeneration policies, negotiation theory.

## 1 OPPORTUNITIES OFFERED BY CULTURAL BUILT HERITAGE CONSERVATION: INTRODUCTION

The integrated conservation of our cultural built heritage continues to be a policy objective of eminent importance, since the built heritage is the most immediately visible part of the cultural heritage of a country or city.

The notion of culture refers to the whole output of the human mind of the past and present products and expressions of thought that contribute to building our symbolic heritage. The latter provides, through continuous transformations, for an enrichment of individual and collective consciousness [Sapir, 1972].

Nowadays a modern society, dealing with the problem of conservation or transformation of cultural built heritage, has to face the difficulty of assessing the socio-economic, environmental, cultural, historical-architectural and ethical value of historical urban centre resources. These resources play an important role in the perspective of sustainability. Cultural built heritage, in fact, allows us to recognize the identity, the peculiarity and the plurality of a society, identifying and satisfying basic ethical needs of a community, local distinctiveness and tradition. At the same time, it allows us to link the past to the present and the future.

The common use of the word heritage implies "both receiving and giving" [Thomas, 1995]. This interpretation fits perfectly in the notion of sustainability, referring to our responsibility to preserve the cultural built heritage for future generations.

In the cultural built heritage it is, besides all these features, also possible to recognize an instrumental value, viz. a use value for various users (direct, indirect, potential, future). The cultural built heritage may, in fact, play a prominent role in urban policies, by offering several new opportunities, for socio-economic development.

The socio-economic value of cultural built heritage can, for example, be improved or increased via "the marketing of urban heritage so as to attract more tourism" [Coccossis and Nijkamp, 1995], of course, by observing strictly the historico-cultural values of these resources. Tourism, recreation, leisure and

cultural activity, may, in general, play a really strategic role in enhancing the socio-economic vitality of a community and increase the valorization of its heritage.

Besides the consideration of the tourist and recreational sectors, Nijkamp and Rienstra [1995] emphasize also the necessity of a "compound evaluation" of our cultural built heritage, which may include both psychological benefits, indirect structure effects, direct and indirect benefits for users and non-users, regional development and environmental implications. The identification of all such consequences would require a systemic approach.

In the context of opportunities offered by cultural built heritage conservation, it is possible therefore to identify primary benefits like, among other things, net job creation, income effects for producers and suppliers, charges paid (admissions, cultural tourism expenditures, grants and donations, etc.) as well as secondary benefits, such as a stimulation of private investments, improved aesthetics of the area, increase in arts and craft employment, socio-economic stabilization of neighbourhoods, potential magnet effects for further high quality development, attraction of high wage labour market segments, etc. (for more details, see Hendon, 1991).

In view of the above mentioned opportunities offered by cultural built heritage conservation, we will in this paper focus on the issue of policy responsibility for the cultural built heritage and next on a comparative evaluation of various policies in this field. We will emphasize that an integrated cultural built heritage policy cannot be left to the market mechanism. It implies rather both active involvement of governments and innovative strategies to create a partnership between public and private interests. We will first offer a concise overview of European policy initiatives.

## 2 EUROPEAN POLICIES ON INTEGRATED CONSERVATION OF CULTURAL HERITAGE IN AN ECONOMIC PERSPECTIVE

### 2.1 The Convention and Charter of the Council of Europe

For many years, the Council of Europe has been actively contributing to the promotion of cultural built heritage conservation, aiming to find a relationship between culture and society "by linking heritage conservation to the wider social environment" [Luxen, 1991].

Nowadays, the notion of *Integrated Conservation*, as introduced by the Council of Europe, has almost universally been accepted. It incorporates both the principles of protection and management of historical and cultural heritage within all decision-making processes, especially in the context of urban planning. This concept of integrated conservation provides also for the use of built heritage (by new functions or by rehabilitation in the original ones) as part of the social life of the community and for the benefit of present and future generations. Moreover, it

aims to foster concertation and a multidisciplinary approach, in which a balanced evaluation may play a strategic role.

In this section we will concentrate particularly on both the Convention for the Protection of the Architectural Heritage of Europe, signed in Granada on October 3, 1985, and the European Urban Charter adopted by the Council of Europe on March 18, 1992. We will try to focus on the critical points of these documents in order to identify linkages with the involvement of governments in heritage conservation.

The *Convention for the Protection of the Architectural Heritage of Europe*, starting from the recognition that "architectural heritage constitutes an irreplaceable expression of the richness and diversity of Europe's Cultural Heritage", provided two main reasons for conserving the architectural heritage:

- a cultural purpose, i.e. the architectural heritage is a key element in the cultural development at the national, regional, and European level;
- integrated conservation of the heritage, in the perspective of improvement of the living environment and of the contribution to economic development.

The Convention is presented in two parts: the first deals with the need to implement the protection machinery and the conservation policies of countries within their territories, whilst the second tackles the opportunity to develop European cooperation in defence of heritage.

We will dwell upon a few articles in this Convention, which may be considered as significant for the objective of this paper, i.e. the involvement of governments and the strategies for public and private investments in the conservation of architectural heritage.

In particular, *Article 6* of the Convention lists concerns on several types of financial support by public authorities to ensure or encourage the maintenance and restoration of protected properties: financing from State or decentralized authority budgets, indirect measures for the Conservation (maintenance, restoration and management of properties), and special concessions to private owners in respect of property taxes or succession duties.

*Article 10* then, explains the principles of Integrated Conservation of the Heritage, starting from the need to include the conservation of architectural heritage in town and regional planning up to the consideration of positive effects of conservation policies. And finally, *Article 14* states the necessity to involve public authorities, private organizations and the wider general public in the decision process for protecting the architectural heritage.

All the above aspects may be viewed as our clues in the examination of Recommendations preceding the European Urban Charter. *Recommendation R(86) 15* of the Committee of Ministers of the Council of Europe, for example, emphasizes the important role of small and medium-size enterprises in the restoration market, whilst *Recommendation R (91) 6* concerns a series of policy measures, different in nature and scope, to promote the funding of the conservation of architectural heritage. Nowadays, it is recognized that public

funds are often not sufficient to ensure the conservation of the architectural heritage. That implies that measures must be taken to attract private investments into the conservation and restoration of the built heritage, but it also emphasizes the need for fiscal policies conducive to heritage conservation.

In the above Recommendation, therefore, several principles and measures (administrative, new interventions and financial) to create favourable conditions for the implementation of conservation projects are suggested.

All above considerations from the Convention and Recommendations can explicitly or implicitly be retracked in the *European Urban Charter*.

From the *European Declaration of Urban Rights*, which has arisen from the European Urban Charter, we will extract the following rights that are focal points for the purpose of our research:

- Good quality architecture and physical surroundings;
- Participation (considering cooperation, the principle of subsidiarity, information and freedom from over-regulation);
- Economic development;
- Sustained development;
- Financial mechanisms and structures;
- Equality.

These rights may, from our point of view, provide a concise plausible justification for the involvement of governments in the conservation of architectural and cultural heritage.

The European Urban Charter, among other things, emphasizes qualitative aspects of urban development and quality of life, the notion of collaboration and solidarity among governments, local authorities and communities, and the responsibilities of local and regional authorities to protect such rights via the development of appropriate strategies.

Next, our aim is to identify some principles from different chapters of the Charter, in order to compare them with the current and future role of governments in the conservation of cultural and architectural heritage. We will briefly reproduce here these principles.

"The physical form of cities

1. *City centres must be safeguarded as important symbols of European cultural and historic heritage.*

European historic centres, with their buildings, urban spaces and street patterns, provide an important link between the past, the present and the future; they contain priceless elements of the architectural heritage; are places which enshrine the city's memory, establish a sense of identity for present and future generations and are key factors in establishing a sense of solidarity and a sense of community between the people of Europe.

The urban architectural heritage

Urban architecture is made up of a heritage of elements considered to be of enduring significance, preserved to protect a town's identity and memory.

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*1. Urban conservation requires a carefully constructed legal framework.*

Whilst responsibility for conservation is in the hands of public authorities, individual buildings are usually in private possession. A legal framework is needed to regulate respective rights, responsibilities and conflicts between these two agents in order to ensure protection of the heritage.

*3. Adequate and often original financial mechanisms and partnerships are necessary.*

*5. Urban heritage must be integrated into contemporary life via its incorporation as an essential element in overall planning.*

*6. Economic development can often be stimulated by conservation of the urban heritage.*

Economic development in cities

*2. Economic and social development are inextricably linked.*

*5. Collaboration between the private and public sectors is an important component in urban economic growth and development."*

In conclusion, this Charter emphasizes several strategic issues, such as the importance of institutions and rules, financial mechanisms, the need to integrate architectural heritage into contemporary life, socio-economic development, the role of local and regional authorities, and urban planning and management. Thus it seems as though the Council of Europe has taken a central position in policy development at the European level.

## **2.2 European Community action to protect the European architectural and cultural heritage**

In this section we will concentrate on European Community actions to protect the European Architectural and Cultural Heritage.

The starting point for these actions can be found in article 28 of the Treaty, where the involvement in the cultural built heritage sector is considered a priority. This heritage, in fact, represents the richness, the diversity, the memory and the identity of a community and is, at the same time, able to promote both directly and indirectly an economic, social and regional development in Europe.

Nowadays we may observe an improvement of both the number and the quality of cultural heritage projects proposed for fundings, according to awareness policies supported by the European Community. We may refer here to several policies such as, for example, the *Raphael Programme* in the field of cultural assets, and various Investment Programmes, notably *Mediterranean Integrated Programmes*, *Programmi Operativi Plurifondo*, *Life*, etc.

The aim of cultural policies is essentially to awaken public and national, regional and local authorities' interest in integrated conservation of cultural built heritage. That may be done either by directly supporting the best projects in terms of cultural and technical quality, or by promoting different kinds of activity aimed to spread both projects value and Community actions abroad. Several policies have been undertaken in this context:

- Support for pilot projects for the conservation of the European Architectural Heritage;

- Symbolic actions, i.e. restoration work on European monuments and sites of great historic and artistic value;
- Grants for further studies in conservation and restoration;
- Support for cultural initiatives and actions to increase awareness;
- European Heritage campuses.

In regard to support for pilot project actions, since 1989 each year different themes have been selected by the Cultural Affairs Committee: religious and civil monuments and sites of outstanding value; historic buildings and groups of buildings which define and characterize an urban and rural pattern; testimonies to production activities in agriculture, crafts, industry; integrated conservation projects in towns and villages; gardens of historic interest; historic buildings and sites related to entertainment and performing arts; and, finally, in 1995, religious monuments.

Of course, a major aspect of these policies is the importance attached to education, information and specialized training in the field of integrated conservation of the cultural built heritage. We refer here also to granting subsidies to conservation institutes, and support for scientific and cultural initiatives in the context of the so-called Kaleidoscope programme.

These actions illustrate clearly the important role that the European Union can play in integrated conservation of our heritage, especially if it aims to increase awareness and in the meanwhile to safeguard the principle of subsidiarity.

### 2.3 Epilogue

At this point it seems important to offer some questions on the functioning and the principles of the Convention, the Charter and the Actions against an economic background. Are the Convention and the Charter supported by sufficient economic arguments and insights? And what about the European Community Actions?

It is plausible to argue that all policies for urban heritage conservation should not only be encouraged but also improved by structuring an economic and social reference frame as a further support. In this perspective, there are several questions to be raised:

- How to justify involvement of governments, and what is the role of the free market in urban heritage conservation?
- How can we evaluate a given type of involvement?
- On which principles can we evaluate policies retrospectively?

In the next sections, therefore, these issues will be resumed by analysing in particular:

- the role of Governments
- investments from public and private sectors
- urban planning, policies and measures in the context of evaluation.



### 3 INVOLVEMENT OF GOVERNMENTS IN INTEGRATED CONSERVATION OF CULTURAL AND ARCHITECTURAL HERITAGE

Deteriorated areas in historical urban centres, originally characterized by high environmental and cultural values, but more recently also by a strong degree of deterioration and fragmentation of real estate, will be the physical reference scenario for this section.

In such cases, the current economic, social and cultural context suggests, in regard to urban heritage conservation, that it is difficult to advocate the absence of governments and a recourse to the free market. In fact, the complexity, the financial burden and the long-term creativity in relation to renewal policies call for new forms of administrative involvement with multidisciplinary competences and a high decision-making and management capability.

Integrated conservation of architectural and urban heritage may be seen as a process, which allows us to get back the conditions for a vital and dynamic relationship between social, ecological, economic and cultural factors. Urban renewal and building rehabilitation issues involve the whole urban system in relation to its qualitative and quantitative effects. That is particularly true, for example, in the case of Southern Italy, where economic and land use processes have eroded the functional and managerial potential of urban areas. In dealing with conservation or development of historical urban centres we have to face *inter alia* the following issues:

- control of land use and transportation, stimulation of urban income and the urban system's productivity, access to resources and services, and consideration of current and future needs;
- valorization of estate property;
- quality research and recognizability of physical structures and forms of the city;
- the perspective of sustainability of the city.

Economics plays an essential role in reconciling interdependent and conflicting objectives of development and conservation, in relation to limited resources available in a given area. In this context, there is also a need for an identification of objectives, policy measures, different groups involved in conservation, and social acceptance.

It has been argued that economic life could be considered as an organization of products, in order to satisfy consumers need. But, it is noteworthy that, in the conservation of built heritage, governments should envisage this kind of transaction. In general, efficiency and competitive equilibrium are assumed as reference points to explain roles of government activities. Redistribution is certainly one of the main activities of the government, but in the context of built heritage conservation we would ideally need full equilibrium. In fact, even if a competitive equilibrium model can perform this economic task, the outcome is not necessarily efficient due to externalities. The principal reasons for involvement of governments are, therefore, the following:

- distribution
- failure of perfect competition
- absence of futures and insurance markets
- failure to attain full equilibrium
- externalities
- public goods
- merit wants.

With respect to the first condition, we may refer to circumstances, such as monopoly situations, which allow the private sector to acquire income without considering the collective interests of the respective groups. The market failure, instead, can be reconducted to the presence of externalities, public goods and also merit wants. When we are dealing with the cultural built heritage, we have to consider internal and external market externalities, i.e. implications and consequences affecting other subjects not directly involved in the conservation policy. We mean, for example, increasing social and cultural education values, cohesiveness of a community, creation of an environment which can stimulate creativity and innovation in all kinds of activity, impacts on tourism, economic activities, transportation and real estate property.

Cultural built heritage assets are usually viewed as public goods, due to the fact that individual satisfaction levels arising from the asset are independent of the numbers of users ("non-rivalry") and nobody can be excluded from its enjoyment ("non-exclusiveness"). For merit wants, instead, we refer to goods which are considered useful for the whole community and therefore have to be in each case provided, also if there is not a sufficient demand.

Moreover, another good reason for the need to involve governments, may be the difference between costs and benefits of conservation and, naturally their different impacts on both current and future generations.

There is a general conviction that one of the basic purposes of government is the improvement of the standard of living of the members of the community, and this aspect is perfectly integrated in architectural heritage conservation issues.

Anyway, we can argue that the market failure in the conflict resolution on built heritage conservation and the pursuit of ethical objectives and of social values are the two main reasons for an active role of government. Nowadays, it has been generally accepted that the causes of market failures can mainly be found in imperfect competition, imperfect information and absence of markets (i.e., externalities, public goods) [Fokkema and Nijkamp, 1994].

The urban market is far from a competitive model, especially in a long-term perspective, to preserve heritage resources. In effect, considering architectural, cultural and environmental heritage we are faced with intangible aspects, unique and irreversible assets that cannot be measured on the traditional market. Moreover, facing the absence of the market, the government has the duty to guarantee access to resources giving the same opportunity to all members of a community and to actual and future generations.

Built heritage conservation involves both cultural and economic values, and

social and private costs associated with high risks and uncertainty. Nevertheless, expenditures in the sector of built heritage conservation have a multiplier effect. Thus, we also have to deal with direct and indirect benefits and, as mentioned above, their different incidence on the community.

In this perspective, the main task of government is to reduce conflicts between cultural, social and economic values. Therefore, in order to achieve this objective, it is essential to introduce transparent and clear rules, as otherwise there may be an increase in social costs and in so-called government failures. Each choice in cultural heritage conservation, oriented to more rationality, justice (equity) and effectiveness, must be grounded on sound principles and should be non-arbitrary, defensible and communicative; this means that choices are to be grounded in the ethical domain referred to as "values" [Shefer and Voogd, 1990]. But the cultural value is an intangible quality that is difficult to measure. In the market, in fact, an exchange value does not exist, which can be considered as a reference point in the evaluation of actual and future values.

Nowadays, observing the conflicting situation of modern urban reality, it does not seem possible to turn to the actual market in order to regulate different interests and values of culture and economics. In the city, the conflicts between development and conservation, quantitative and qualitative aspects, centralization and de-centralization, control and autonomy, efficiency and solidarity, co-operation and individualization, are increasingly becoming apparent [Fusco Girard, 1994].

For these reasons it seems necessary to introduce new rules and new decentralized institutions (for example, regional and local government) aiming to regulate the conservation market.

In particular, a more pronounced role of the actors involved in the local government seems to be appropriate to exert a more direct control on land use, environmental quality, transportation, as well as on social, economic and cultural development linked with cultural built heritage conservation. The main characteristic of decentralization concerns the possibility of providing an efficient use of information and resources. That implies a better use of information, a reduction in transaction costs and information distortion, and consequently an incentive for the local community to provide a capital expenditure in the locality concerned. Of course, the imposition of an efficient system of decentralized institutions implies a reduction and "reconciliation of the conflicts between the macroeconomic control of public expenditure by central government and the achievement of microeconomic efficiency of investment in local capital projects" [Mayston and Muraro, 1993].

The role of the government in heritage conservation gets a special emphasis, if we consider the future of our cultural built heritage. Cultural built heritage conservation is a social goal, which can be pursued at local, regional and state levels within urban management and planning, through the implementation of policies, strategies, proposals, plans and programmes. In the perspective of government involvement, therefore, valorization of potentiality and capability of

strategic trends becomes fundamental, naturally including the assumption of rules for all actors involved in the conservation. These procedures may guarantee transparency and coordination of decision-making processes. Below these rules, there are policies and strategies, that could be considered just as specific choices within a field marked by rules.

All these arguments about the role of governments in heritage conservation are strictly connected with funding strategies and the evaluation of financial resources and mechanisms. The main reason for the involvement of government in cultural built heritage is therefore economic efficiency, due to the fact that in this sector several factors determining the market failure can be found. Facing the market inability to guarantee by traditional demand-supply mechanisms an effective allocation of cultural assets, the government has the task to pursue more economic efficiency and an optimal general welfare. These objectives can be achieved either by adopting direct public investment programmes aiming to use both these assets and to produce related services and facilities, or by regulating market mechanisms or a mix of these options [Amendola, 1995]. The government has a wide range of instruments at its disposal: taxation, public spending, state participation in production, direct controls (rationing, central planning, zoning, licensing), regulation, legislation, controlling firms or unions, monetary and debt policy (and the regulation of monetary institutions).

From the above considerations we can easily conclude that for heritage conservation a free market situation with an absence of the government is unrealistic and implausible. Moreover, public institutions failure should also be mentioned next to market failure. This latter cannot be denied considering current uses of common assets. In effect, public institutions too, instead of compensating for market failure, have wasted scarce resources in built heritage. A free market is an ideal solution in the case of private use of private goods, but may incorporate strong conflicts, interdependences and different values and interests. This implies new rules to discipline the market and new forms of government to promote an integrated conservation of built heritage. The question then is whether there is a proper basis for government involvement and how this can be achieved.

#### 4 STRATEGIES FOR PUBLIC AND PRIVATE INVESTMENTS IN THE CONSERVATION OF ARCHITECTURAL HERITAGE

In this section we will argue that a government involvement is possible, which envisages a relationship between public and private sectors in managing urban renewal policies. Undoubtedly, in the past, direct public participation in urban conservation promoted a new use and transformation culture in the city. Nowadays, in light of the new economic and social context of built heritage conservation, we may argue that the private sector can pursue cultural and social goals, which were believed in the past to be exclusively achieved by the public sector, a situation which requires less public financial resources. In fact, public resources can be used as incentives for private investments, improving both

invested resources and a supply of rehabilitated heritage. This implies, naturally, the creation of several economic preconditions to involve all potential actors in built heritage conservation. There are different possibilities, such as financial grants, cultural promotion (e.g. by district experts), technical assistance, etc.

It is increasingly felt that there is a need to establish a joint (public and private) financial body capable of developing a financial policy on the basis of which the urban rehabilitation, social revitalization and architectural heritage conservation schemes can be put into practice. Such a relationship between public and private sectors has to be constructed in order to create a win-win situation, considering conflicts between their interests. That could be possible if complementarity takes the place of conflict and we move from a zero sum game to a positive sum game [Fusco Girard, 1995].

That implies the duty for each agency to find new solutions aiming to organize and regulate simultaneously different and opposite goals, instead of pursuing the maximization of personal and individual objectives.

In this context, the role of the public sector as promoter and actor of built cultural heritage transformation or conservation becomes central. Direction, planning and control are, in fact, the main tasks of public institutions, which ought to respect general and public interests. Public institutions may be able to introduce new dimensions in the conflict between public and private sectors in conservation issues, achieving in this way the possibility to overcome a rigid or inert position for both sectors.

Generally, public sector tasks concern implementation of all possible means aimed to promote public and social utility, contrary to the private sector involved in maximization of real estate values and income privatization. The general objective of public investment, in fact, involves maximization of the welfare of the community, which can be expressed in terms of income or national consumption. In the latter case, it is possible to recognize three dimensions: (i) quantity related to efficiency, (ii) distribution and (iii) measures and means of distribution, both related to equity. Once the equity considerations are taken as a basis for government involvement, it is indispensable to take account of external effects and indivisibilities that are particularly evident in investments in the public sector. Many economists have stated that knowledge of appraisal and project management techniques, information and incentives (especially devolution and decentralization) are key factors in the achievement of public sector efficiency. The precondition for private sector investment, instead, is to consider all investment decisions within a structured long-term profitability strategy.

Porter (1990) underlines the key role of private sector investment, taking a broad strategic view on the question of where the comparative advantage of nations or cities can be found.

In addition, many economists have analyzed different criteria adopted by the private sector in investment appraisal: Net Present Value (NPV), Accounting Rate of Return, Returns on Equity (ROE), Payback Period or Internal Rate of Return

(IRR). Clearly, the investment criteria by the private sector cannot be directly applied to the public sector. In effect, the role of governments is to promote efficiency and equity through transparency, with reference to integration and synergy between physical, public and private components. The main difficulty is, therefore, to promote convergence of interests between public and private actors.

"Income socialization", pursued through a regulation of urban transformation, is a plausible means to achieve these objectives of effectiveness, efficiency and equity. Of course, fulfilment of ethical guarantees becomes a central point in the relationship between public and private sectors. Therefore, there are two fundamental procedures to guarantee transparency and coordination in decision-making processes; firstly, potentiality and capability of valorization of strategic trends, and secondly the need to formulate rules for all actors involved in built heritage conservation processes.

It becomes, in fact, essential to identify clear rules in order to guarantee a "leverage" between different interests and to pursue both efficiency and equity. That is possible by elaborating within the conservation process a negotiation theory, as the one suggested for urban land planning issues [Forte, 1995], to reduce funding by the public sector and to stimulate private investments, in the context of a "leverage" perspective. In this perspective, the identification of instruments by which institutions of local government can interact with other strategic decision-making bodies involved in conservation investments, can be then considered as a high priority.

Nowadays, the definition of institutional rules strictly connected with a Project Financing structure becomes a precondition to guarantee involvement and an active participation of private bodies in the conservation sector. In this way the private actor, in a long-term perspective, is responsible for promotion, implementation and management of the conservation initiative by taking particular care of risks, time and means needed for the project implementation. This implies, therefore, major guarantees for general public interests and the conjuncture for investing only in projects that may be really implemented on the base of effective capital and available means.

Private investment is possible only if public institutions create real incentives and preconditions for a convenient involvement, by removing financial and bureaucratic constraints which often form the reasons of the so called "idle times" and failure of initiatives. We may refer here to a Project Financing policy [Rostirolla, 1996], aiming to introduce normative, institutional and incentive and rate policy actions, in a decentralised decision-making context. More decentralization has to be preferred in the cultural conservation sector, in particular if a convergence among regional and local capability and willingness to invest in the conservation programme exists.

In effect, in built heritage conservation initiatives usually several actors, both public and private, are involved, viz. public institutions, non-profit conservation agencies (third force), private entrepreneurs, each one aiming to pursue a specific goal. The government role concerns then a regulatory control policy in order to

guarantee an optimal balance between transformation and conservation objectives by promoting interest negotiation between all actors involved.

In recent times, in different European Countries institutional policies have been introduced aimed to coordinate public and private actions for promotion, implementation and management of conservation initiatives, by creating rules, mechanisms and support systems especially for local bodies.

In the United Kingdom the *National Trust* focuses on market participation of private institutions to promote cultural built heritage conservation, whilst *English Heritage* (Historic Buildings and Monuments Commission for England) is a government's statutory adviser on issues regarding historical environment conservation, which is responsible for the national interest in management of some 400 historical properties. Moreover, since the 1970s, public funding has been earmarked to encourage also environmental renovation.

Similarly, in France, the *ANAH* (National Housing Improvement Agency) allocates annual budgets for projects carried out by local authorities and property owners aimed to improve the quality of the built environment.

In the Netherlands Public-Private Partnerships (PPPs) exist in which both local authorities and local firms carry out cultural built heritage conservation projects. In this way, risks and responsibility for implementation and management are shared, also if often the government participates by different kinds of support policy. For example, in the Netherlands, the *Nationaal Restauratiefonds* has been created as a revolving fund in order to combine private funds with public ones and tax advantages. In Italy, several heritage conservation programmes have been carried out both by private initiatives (e.g. *Naples 99 Foundation*) and through loans from the *European Investment Bank* (EIB), which has a dual nature as a Community institution and an investment bank.

In effect, generally, tax incentives and subsidy policies do not always have a decisive effect on private and public involvement. All European conservation systems (grant systems, public-private partnerships, financial incentives, etc.) can nevertheless only be achieved if they are integrated in a global, effective and flexible planning policy.

## 5 RULES AND POLICIES OF URBAN PLANNING FOR THE FUTURE OF OUR CULTURAL BUILT HERITAGE

Plan flexibility and effectiveness, government efficiency, co-ordination between different institutional levels, operative sector integration, new types of public and private partnership and demand participation require a new mentality in promoting rules, roles and types of mechanisms that are suitable in an integrated conservation context.

For this reason it is important to insist on a specification of a planning methodology aiming at global and coherent strategies for interaction between all components of the process. Urban planning can be viewed as an institutional reference point in order to guarantee coherence and credibility in relation to all

rules and roles, and to compare and evaluate predictions, public policies, private proposals and projects.

Urban planning is also a critical instrument for governments to ensure urban policy implementation. The government, through the tools of urban planning, is able to manage the complexity of the issues of the heritage conservation. In fact, "the identification of acceptable compromise solutions and the selection of creative options in a conflicting public choice environment" is a proper task of urban planning [Fokkeman and Nijkamp, 1994]. Nevertheless, the main task of the government is also to reduce the conflict between cultural and economic values. Two main approaches exist to achieve the goal mentioned above:

- (i) a dynamic approach: policies and measures to stimulate the private sector to invest in operations for heritage conservation;
- (ii) a support approach: need for incentives and subsidies, through financial regulations (loans, savings, taxation, commercial law, etc.).

Moreover, we may also refer here to the four kinds of community policies identified by Peterson (1981): developmental, allocational, redistributive and organizational. The first one comprises aspects related to economic growth; the second one emphasizes, instead, quantitative and qualitative goals and is dealing with financing of public services. Redistributive policies focus on equity and redistribution of costs and benefits amongst the whole community; and organizational policies, finally, deal with identification of responsibilities of different governments [Shefer and Voogd, 1990]. In urban conservation, we are faced at the same time with all these kinds of policy, and therefore, we need more rationality in finding a compromise among competing objectives and roles of a variety of actors, moving from developers to households.

Several attempts are being made in different countries to find a solution to all these issues. In Italy, for example, recently two decrees, viz. "Urban Renewal Programmes" (Programmi di Recupero Urbano) and "Urban Regeneration Programmes" (Programmi di Riqualificazione Urbana) have been issued, in order to achieve a full integration on three different levels: technical-functional, financial-economic and organizational. The first one is concerned with integration between houses, commodities and public and private services; the financial-economic integration involves a co-participation between public and private actors; and, regarding the organizational level, the necessity is emphasized to integrate technical and operative capacity of public and private subjects in order to achieve faster complementary goals. In these programmes public investment becomes, through a multiplier effect, an incentive for private expenditure. In fact, apart from all aspects that may be questioned, these programmes aim to promote that each choice of public administration may guarantee benefits for the private sector, and in the meantime, guarantee respect of common interests via a fair exchange aiming to improve urban quality and community lifestyle.

In each case, to make agreements between public administration and private



bodies more credible, it is essential that feasibility analyses are added to urban renewal projects, that is, via economics and planning, or by considering an economic evaluation of feasibility as a peculiar aspect of the planning process. That implies, therefore, the necessity to include evaluation in all phases of a decision-making process for the conservation of built cultural heritage in order to prevent a loss of resources which is irreplaceable and to improve the conservation quality in the future.

## 6 ROLE OF EVALUATION IN THE CONTEXT OF INTEGRATED CONSERVATION

Now that the close relationship between planning and management of renewal processes has been highlighted, it is necessary to make each goal explicit and to evaluate all subjects, instruments, procedures, resources and constraints, in order to render renewal planning successful and socially more credible.

Urban planning and renewal project evaluation is a key factor of public planning and management. Evaluation may in fact offer a valid support in judging the feasibility and desirability of alternative options and analysing conflicts between policy objectives. Naturally, this implies the need to integrate the evaluation process with the public participation process, i.e. a public involvement via a democratic participation. The evaluation in urban planning for built heritage conservation can be considered as a means of communication among all actors involved in the conservation process.

Evaluation is dealing with the conflict between an integral conservation of our heritage and urban development policies, in relation to elements that cannot be included in a transformation process due to their uniqueness and unreproduceability, like our cultural resources.

If we aim at a democratic participation, in evaluating the urban planning and decision-making processes' effectiveness, it is necessary to identify a compromise supported by consensus, which may arise only from our consciousness and knowledge of cultural elements of a historical city centre.

Ex-ante and ex-post evaluation, from the viewpoint of both the private and the public sector, has been analyzed by many authors, emphasizing the key role of ex-ante project evaluation in relation to expected returns, uncertainty and risks, and ex-post monitoring of outcomes. Implementation and managerial impact evaluation of several policy options cannot be carried out without the support of systematic methods able to deal with complex values and conflicting decision problems. That implies the necessity to use and integrate different methods and techniques for dealing with feasibility, equity (redistribution), cultural, socio-economic and negotiation issues.

Because multiple actors (private and public) are involved in decision-making processes for the cultural built heritage conservation, each one aiming to pursue their own objectives, it becomes essential, in order to guarantee transparency and a successful negotiation process, to introduce evaluation techniques that are able

to coordinate different interests and to pay attention to all values (explicit and latent) of our cultural built heritage.

Faced with the cultural built heritage it is possible to introduce the notion of a *social complex value*, which is able to deal with the socio-economic, historical-cultural and ethical dimensions of conservation [Fusco Girard and Nijkamp, 1996]. This value can in general be expressed by the following function:

$$V_{sc}(Vet, I)$$

where

*Vet* is the total value that can be expressed in monetary terms;

*I* is the intrinsic value that cannot be expressed in monetary terms;

*Vsc* is the social complex value.

In this paper we will not dwell on different value components (i.e. use values, non-use values), since many authors have described this issue. Rather we will stress the importance of choosing the most appropriate evaluation methods that are able to focus on all aspects (values and conflicting interests) of the conservation problem (including the relationships between these values) and also to construct negotiation mechanisms aiming to achieve consensus and cooperation between all parties concerned in the decision-making process.

Financial analysis is a suitable tool to identify strategies aiming to create a partnership between the private and public sector in order to achieve, by means of a cost and income ratio on the one side and the consideration of all possible alternatives on the other side, a final compromise solution. Furthermore, financial analysis makes local public institutions able to coordinate, control and regulate the project implementation through a support activity taking care of individual and general interests and the fulfilment of all kinds of constraints [Fusco Girard, 1995]. However, once a feasibility analysis has been carried out, it is possible to evaluate all direct and indirect social costs and benefits of the conservation project or programme. Often it is not possible to resort to a traditional Cost-Benefit Analysis due to the existence of multiple objectives and social goals which cannot be translated into monetary units [Coccossis and Nijkamp, 1995]. This implies therefore either the use of adjusted economic analyses able to translate all costs and benefits into one common monetary unit (i.e., travel-cost, methods, hedonic prices, shadow project evaluation and contingent valuation) or the choice of a multidimensional approach, like community impact evaluation [Lichfield, 1988], as being suitable for a multidimensional policy impact assessment.

This impact analysis is only a step in a decision-making process evaluation. It is, in fact, possible to consider all the above mentioned features and aspects involved in the implementation and management of heritage conservation programmes. In this perspective, multicriteria and multigroup evaluation may represent the joint element of the process. Multicriteria/multigroup evaluation takes place in all phases of decision-making. It can be viewed as a continuous

decision-making and management autonomy with proper incentives, aiming to pursue general consensus and reduction in interest conflict. The proposal of a "leverage" principle in the context of cultural built heritage conservation seems to be a possible way to reconcile all these aspects. It would then be necessary to study in depth all the implications and consequences associated with this new perspective.

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